## REMARKS/ARGUMENTS

This Amendment is being filed in response to the Office Action dated December 1, 2006. Reconsideration and allowance of the application in view of the remarks to follow are respectfully requested.

Claims 1-4 and 14-30 are pending in the Application. Claims 1, 3, and 30 are independent claims.

In the Office Action, Claim 1 is rejected under 35 U.S.C. §112, second paragraph, as allegedly being indefinite due to an alleged lack of antecedence for the term "the encoded data" in Claim 1, line 4. The Applicants respectfully submit that there is a sufficient antecedence basis provided for the term in line 1 of the claim which recites "[a] method of encoding data ..." However, to further the prosecution of this matter, Claim 1 is amended herein as implicitly requested in the Office Action. This amendment to Claim 1 is not intended to narrow the scope of the originally submitted claim and is merely submitted to expedite consideration and allowance of the pending claims. It is respectfully submitted that the explanation provided above and the amendment to Claim 1 overcomes the 35 U.S.C. §112, second paragraph

rejection. Accordingly, it is respectfully requested that the 35 U.S.C. §112, second paragraph rejection be withdrawn.

Claims 1-4, 14-17 and 25-30 are rejected under 35 U.S.C. §102(e) as allegedly anticipated by U.S. Patent No. 6,885,749 to Chang ("Chang"). Claims 3, 4, 16 and 17 are rejected under 35 U.S.C. §102(e) as allegedly anticipated by U.S. Patent No. 6,122,379 to Barbir ("Barbir"). Claims 18-24 are rejected under 35 U.S.C. §102(e) as allegedly obvious over Chang in view of U.S. Patent No. 6,332,194 to Bloom ("Bloom"). These rejections are respectfully traversed.

Under 35 U.S.C. §102(e), (emphasis provided) "[a] person shall be entitled to a patent unless -- the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent."

Chang has a U.S. filing date of December 30, 1999 and claims priority to a provisional application no. 60/157,677 filed on

October 1, 1999. The present patent application is based on PCT Patent Application No. PCT/EP00/00217, filed on January 10, 2000 and claims priority to January 10, 1999. This Priority Document was provided in the English language. Accordingly, the present patent application has a priority date, under 35 U.S.C. §102(e), of January 10, 1999 which is prior to the priority date of Chang. Chang is therefore not prior art under 35 U.S.C. §102(e). respectfully submitted that the rejection of Claims 1-4, 14-17 and 25-30 under 35 U.S.C. §102(e) as allegedly anticipated by Chang is effect is improper and an indication to that respectfully requested. Accordingly, reconsideration and allowance of Claims 1-4, 14-17 and 25-30 is respectfully requested.

In the Office Action, FIGs. 6 and 8 and sections of the specification relating to these figures is recited in rejecting Claim 3 (see Office Action, page 6, numbered paragraph 24). Regarding "determining a set of parameters for each frame" of Claim 1; Col. 10, lines 5-10 of Barbir are recited. The recited section describes how "the size of each sub-block is equal to the value of the byte generated by the stream cipher" in Barbir's system.

As pointed out previously regarding a prior reference to Barbir in response to the Office Action of June 16, 2006, the security of the Barbir system resides in the fact that the randomness ("e.g., the stream cipher) can not be recovered from the encoded data, hence the need for the same modeler and initialization for both the encoder and the decoder (e.g., see Barbir, Col. 8, lines 54-56).

It is respectfully submitted that the method of Claim 3 is not anticipated or made obvious by the teachings of Barbir. For example, Barbir does disclose or suggest, a method that amongst other patentable elements, comprises (illustrative emphasis provided) "whereby encoded data includes one of the set of parameters and at least data which can be used to derive the set of parameters" as required by Claim 3. In Barbir, neither the set of parameters (the cipher) nor data that can be used to derive the set of parameters is encoded in the data. Again, this is the reason that Barbir requires the same modeler and initialization for both the encoder and the decoder.

Bloom is recited in rejecting some of the dependent claims but does nothing to cure this deficiency in Barbir.

Based on the foregoing, the Applicants respectfully submit that independent Claim 3 is patentable over Barbir and notice to this effect is earnestly solicited. Claims 4, 16, 17, 19, 23 and 24 depend from Claim 3 and accordingly are allowable over Barbir for at least this reason as well as for the separately patentable elements contained in each of said claims. Accordingly, separate consideration and allowance of each of the dependent claims is respectfully requested.

In addition, Applicants deny any statement, position or averment of the Examiner that is not specifically addressed by the foregoing argument and response. Any rejections and/or points of argument not addressed would appear to be moot in view of the presented remarks. However, the Applicants reserve the right to submit further arguments in support of the above stated position, should that become necessary. No arguments are waived and none of the Examiner's statements are conceded.

Applicants have made a diligent and sincere effort to place this application in condition for immediate allowance and notice to this effect is earnestly solicited.

Respectfully submitted,

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